

Beginning again on July 1, 2004, the trips or mileage of a motor vehicle for which persons or property are carried for hire just between points in Illinois may be used to qualify for the rolling stock exemption, if the journey of the passenger or shipment of the property either originates or terminates outside of Illinois. See Public Act 93-1033. (This is a GIL.)

November 29, 2004

Dear Xxxxx:

This letter is in response to your letter dated September 3, 2004, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Beginning July 1, 2004, trips or mileage of a motor vehicle for which persons are carried for hire just between points in Illinois may be considered to qualify in 'interstate' commence if the journey of the passengers originate or terminate outside Illinois (please see copy of 'Rolling Stock Exemption Changes' Informational Bulletin dated July 2004 attached).

My company operates motorcoach service from PLACE 4 times a day (see brochure attached). The majority of passengers we pick up and drop off get on/off an airplane. Thus, service to these airports is our main business.

I am asking for you to rule that the trips or mileage used for the above mentioned service be considered 'interstate' when calculating the Rolling Stock Exemption test. If you rule in favor of my request, as of July 1, 2004, all of my vehicles will be Rolling Stock exempt and no sales tax will be owed.

To the best of my knowledge, the Illinois Department of Revenue has not previously ruled on the same or similar issue for my company nor have I submitted the same or a similar issue to the Illinois Department of Revenue but withdrew it before a letter ruling was issued.

I have discussed this issue with PERSON. His recommendation was to file my July 2004 Form ST-I as \$0 due based on the law change. He also suggested to request a private letter ruling. Also, I am not aware of any authority who has a contrary opinion to my view.

My hope is that you rule in favor of my request. Your time and consideration is appreciated.

DEPARTMENT'S RESPONSE:

We are without sufficient information on the initial origination or final destination of the passengers to issue a private letter ruling regarding your request. However, I hope the following information will aid you in determining your tax liability.

You are correct that, beginning again on July 1, 2004, the trips or mileage of a motor vehicle for which persons or property are carried for hire just between points in Illinois may be used to qualify for the rolling stock exemption, if the journey of the passenger or shipment of the property either originates or terminates outside of Illinois.

A carrier may use intrastate trips to qualify for the above-mentioned rolling stock exemption, so long as the carrier can document that the journey of the passenger or shipment of the property either originated or terminated outside the State of Illinois. Documenting that passengers were delivered to an airport, without documenting that those specific passengers boarded aircraft for travel outside of this State, is not sufficient documentation for claiming the rolling stock exemption. Please note that, beginning on July 1, 2004, the rolling stock exemption may only be claimed for motor vehicles whose gross vehicle weight rating exceeds 16,000 pounds.

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

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